A 36.97: 56

THE Fats and Oils SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

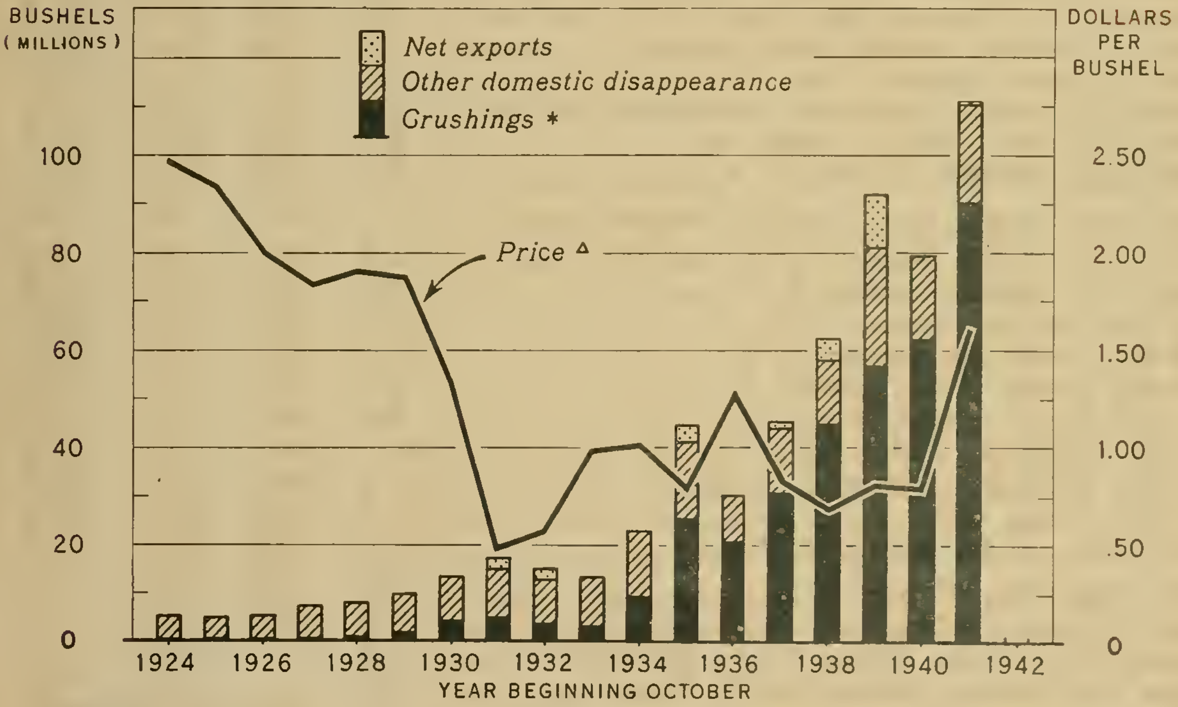
FOS-56

October 1941

UNIV. OF FL LIB.
DOCUMENTS DEPT.
U.S. DEPOSITORY

1942 Outlook Issue With Charts

SOYBEANS: UTILIZATION AND PRICE RECEIVED BY FARMERS, UNITED STATES, 1924-41



* DATA FROM BUREAU OF THE CENSUS △ DATA FROM A. M. S.
DATA FOR 1940 ARE PRELIMINARY; 1941 BASED ON SEPTEMBER INDICATIONS, PRICE FOR SEPTEMBER 15

U. S. DEPARTMENT OF AGRICULTURE NEG. 32745 BUREAU OF AGRICULTURAL ECONOMICS

Despite a record output, the price of soybeans in 1941-42 will be the highest in all years of commercial production, although perhaps not so high as in the 1920's when soybeans were produced mainly for seed. Consumer demand for products derived from soybeans, including livestock and dairy products, is now the strongest in 22 years, and is expected to strengthen further in the next 12 months. Production goals for 1942 call for an 18-percent expansion in acreage of soybeans for beans. (For data see table 2.)

Table 1.- Price per pound of specified fats, oils, and glycerin, September 1939 and 1940, July-September 1941

Item	Sept.		1941		
	1939	1940	July	Aug.	Sept.
	Cents	Cents	Cents	Cents	Cents
Butter, 92-score, Chicago	27.4	27.6	34.3	35.0	36.6
Butter, 92-score, New York	27.7	28.5	34.8	35.5	36.9
Oleomargarine, dom. veg., Chicago	14.9	14.5	15.7	16.5	16.5
Compounds (animal and veg. cooking fats), Chicago	9.7	8.8	14.8	15.1	15.9
Lard, prime steam, tierces, Chicago	7.8	4.8	10.2	10.1	10.7
Lard, refined, cartons, Chicago	9.6	6.5	10.9	11.1	12.4
Oleo oil, extra, tierces, Chicago	10.6	7.0	10.4	10.3	10.5
Oleostearine, bbl., N. Y.	9.2	5.7	9.8	9.8	9.8
Tallow, edible, Chicago	7.1	4.3	8.1	8.3	9.0
Corn oil, crude, tanks, f.o.b. mills	6.8	5.2	11.9	11.8	12.4
Corn oil, refined, bbl., N. Y.	9.1	7.8	15.1	14.8	15.6
Cottonseed oil, crude, tanks, f.o.b. S.E. mills	5.9	4.8	10.6	10.9	12.2
Cottonseed oil, p.s.y., tank cars, N. Y.	7.1	5.6	11.8	11.9	13.6
Peanut oil, crude, tanks, f.o.b. mills	6.3	5.2	11.1	11.2	12.7
Peanut oil, dom. refined, bbl., N. Y.	9.5	8.4	---	15.0	15.8
Soybean oil, crude, tank cars, midwestern mills	5.1	4.1	9.8	9.5	10.5
Soybean oil, dom., crude, drums, N. Y.	6.8	5.5	12.3	11.8	12.1
Soybean oil, refined, drums, N. Y.	8.0	6.9	12.7	12.3	13.2
Babassu oil, tanks, f.o.b. mills, Pacific Coast	---	---	9.1	9.2	9.5
Coconut oil, crude, tanks, f.o.b. Pacific Coast 1/	6.6	5.3	9.2	9.3	9.6
Coconut oil, edible, drums, N. Y.	9.0	7.5	13.0	13.0	13.1
Olive oil, edible, drums, N. Y.	27.9	34.8	72.7	73.6	71.7
Olive oil, inedible, drums, N. Y.	16.3	23.2	52.3	52.3	52.3
Olive-oil foots, prime, drums, N. Y.	9.0	8.9	17.0	17.0	17.0
Palm oil, Niger, crude, drums, N. Y. 1/	6.6	6.5	9.9	10.8	11.2
Palm oil, Sumatra, tanks, N. Y. 1/	---	---	9.5	10.2	10.7
Rape oil, refined, denatured, drums, N. Y.	11.5	15.0	15.2	15.6	15.6
Rape oil, blown, bbl., N. Y.	14.8	17.5	17.5	17.5	17.5
Teaseed oil, crude, drums, N. Y.	12.0	12.8	22.7	24.0	26.2
Tallow, inedible, Chicago	5.9	3.5	7.6	7.7	8.5
Grease, A white, Chicago	6.2	3.6	7.8	7.8	8.6
Menhaden oil, crude, tanks, f.o.b. Baltimore	3.7	---	7.8	7.4	7.8
Sardine oil, crude, tanks, Pacific Coast	4.2	---	8.0	7.7	8.0
Whale oil, refined, bleached winter, drums, N.Y.	9.1	9.5	10.5	10.5	11.0
Linseed oil, raw, tank cars, Minneapolis	9.1	7.7	10.4	10.2	10.3
Linseed oil, raw, drums, carlots, N. Y.	10.1	8.5	11.4	11.3	11.4
Perilla oil, drums, N. Y.	14.4	17.6	20.0	21.4	22.6
Oiticica oil, drums, N. Y.	19.7	19.0	20.6	21.2	22.2
Tung oil, drums, N. Y.	26.6	26.3	32.2	34.0	35.5
Castor oil, No. 3 bbl., N. Y.	8.8	10.8	11.5	11.5	11.8
Castor oil, dehydrated, drums, carlots, N. Y.	12.6	13.6	15.7	16.0	16.5
Cod-liver oil, med. U.S.P. bbl., N.Y. (dol. per bbl.)	39.3	72.5	82.5	84.5	87.5
Cod oil, Newfoundland, drums, N. Y.	4.4	8.0	10.5	10.5	10.5
Glycerin, soaplye, 80 percent basis, tanks, N. Y.	7.8	7.2	11.1	13.0	16.8

Compiled from Oil, Paint and Drug Reporter, The National Provisioner, and reports of the Agricultural Marketing Service and Bureau of Labor Statistics. Prices quoted include excise taxes and duties where applicable.

1/ Three-cent processing tax added to price as originally quoted.

THE FATS AND OILS SITUATION

Summary

A high level of domestic demand for fats and oils and substantial purchases of lard for export are in prospect for 1942. Prices for fats and oils probably will average higher next year than this. Government measures, however, may tend to hold advances from present levels within narrow limits.

Prices for domestic oilseeds are now comparatively high, and are expected to average at least as high in 1942-43 as in the current marketing season, even though the output of soybeans and peanuts may be increased next year. In the case of flaxseed, the large surplus available in Argentina has had a restraining influence on prices this season. This influence probably will continue to be felt so long as continental European markets remain closed to South American trade and ships are readily available for carrying flaxseed from South America to this country.

Requirements for fats for domestic consumption and export in the 1941-42 marketing year probably will exceed 11 billion pounds. Production from domestic materials during this period is expected to total well over 9 billion pounds, an amount, which, although setting a new high record, will be nearly 2 billion pounds short of total requirements. Imports in 1940-41, including the oil in oilseeds, amounted to approximately 1.6 billion pounds. It is doubtful that imports can be increased materially if at all this season. Substantial gains in new ship construction are in prospect for the next 18 months, but the rate of ship losses and possible new demands on shipping continue to be uncertain factors. Stocks of fats and oils are likely to be reduced this season unless imports are increased.

Total requirements for fats in 1942-43 are expected to exceed those in the current marketing year. But with increased livestock slaughter in prospect, the output of animal fats and oils will be expanded by perhaps 300 million pounds. Production goals for 1942, moreover, call for increases of 1.1 million acres of soybeans for beans and 1.6 million acres of peanuts. With average crop yields, these increases would provide an additional 500 million pounds of oil. The production goal for flaxseed in 1942 calls for the same planted acreage as in 1941, but in view of the comparatively high prices and high yields in most areas for flaxseed this season, and the restrictions on wheat acreage, some increase in flax plantings may occur next year. Cotton acreage may be slightly reduced in 1942.

-- October 14, 1941

REVIEW OF RECENT DEVELOPMENTS

BACKGROUND.- Largely because of increases in world supplies, prices of most fats and oils had declined to low levels before the outbreak of war in September 1939. Prices of all fats and oils advanced at that time. But most of the gains subsequently were lost, with the declines being especially marked after the closing of important European markets and the cessation of lard imports by the United Kingdom in the spring of 1940.

Reduced shipping space and increased shipping costs early in 1941 restricted the volume of imports and had the effect of driving a wedge between prices in the United States and those in surplus-producing areas. This influence, together with improved domestic demand for consumption and storage, and Government lard purchases, resulted in sharp advances in domestic prices of fats and oils during the first half of 1941. Prices leveled off in July and August, partly because of uncertainty arising from a Government proposal to place a "ceiling" on the price of cottonseed oil.

Prices Advance in Early September; New Uncertainty Introduced by Price-Control Legislation

In early September, following the withdrawal of the proposal to place a "ceiling" on the price of cottonseed oil below recent market levels, prices of fats and oils generally moved upward. But during the latter part of the month there was a tendency for prices of many items to level off. New uncertainty was introduced in fats and oils markets as hearings on proposed price-control legislation got under way. The bill for which these hearings were held, in its original form, calls for ceiling prices for agricultural commodities of not less than 110 percent of the parity prices nor less than actual market prices on July 29, 1941.

Wholesale prices of fats and oils averaged about 5 percent higher in September than in August. Among domestic items, prices for cottonseed oil, peanut oil, tallow, greases, soybean oil, and lard led the advance, with gains over the August averages of 6 to 13 percent. Prices for other domestic fats and oils also advanced, although the gain for linseed oil was slight. Advances in prices for imported items were less pronounced than those for domestic items, and in the case of edible olive oil a slight decline was registered.

The index of prices for all fats and oils in September, at 96 percent of the 1924-29 average, was 35 points (57 percent) higher than in September 1940. Prices for many items, including cottonseed oil, soybean oil, olive oil, lard, tallow, and greases, were more than double those of a year earlier. And prices for coconut oil and palm oil were 70 to 80 percent higher. But prices for linseed oil and butter were only about a third higher than in September last year.

Imports Continue at Reduced Level in July; Exports of Lard Increased

Imports of fats, oils, and oilseeds in terms of crude oil in July, totaling 137 million pounds, were 11 percent smaller than the 154 million pounds imported in July 1940. Imports for the first 7 months of 1941 totaled 961 million pounds compared with 1,075 million pounds in the first 7 months of 1940. Imports of coconut oil and copra in terms of oil were 13 percent smaller in July this year than last; imports of palm oil were down 22 percent; tung oil, 57 percent; and olive oil, 61 percent. Other items to show reductions include palm kernels, cottonseed oil, and teaseed oil. On the other hand, imports of flaxseed, castor beans, inedible tallow, and oiticica oil, originating chiefly in South America, were substantially larger in July this year than last.

Exports in July, totaling 62 million pounds, were considerably larger than in June or in July last year, when they amounted to only 38 million pounds. The export total for the first 7 months of 1941 was 281 million pounds compared with 256 million pounds a year earlier. The marked increase in exports in July was the result mainly of the inauguration of shipments of lard to the United Kingdom under the lend-lease program. Exports of lard to all destinations amounted to 54 million pounds in July compared with a monthly average of only 18 million pounds during the preceding 6 months, when practically no lard was exported to the United Kingdom but when unusual shipments were made to Japan, Finland, and Russia.

Cotton Crop Estimate Increased

The forecast for the 1941 cotton crop was revised, on the basis of October 1 indications, to 11,016,000 bales. This compares with 10,710,000 bales forecast a month earlier. Approximately 0.444 tons of cottonseed are produced per bale of cotton. Production of cottonseed in 1941 thus would be about 4,911,000 tons compared with 5,595,000 tons in 1940. It now seems likely that cottonseed crushings in the 1941-42 marketing year will be in the neighborhood of 4,000,000 tons, or 9 percent less than the 4,396,000 tons crushed in the 1940-41 season.

Assuming an average oil yield (313 pounds of oil per ton of seed crushed) and a crush of 4,000,000 tons, the production of crude cottonseed oil would total about 1,250 million pounds this season compared with 1,425 million pounds a year earlier. The 1941-42 supply of cottonseed oil (production plus August 1 stocks of crude and refined oils, crude basis) would be about 1,593 million pounds, or 20 percent less than the 1,993 million pounds available last season.

October 1 estimates for the 1941 production of soybeans, peanuts, and flaxseed are as follows: soybeans, 111.6 million bushels; peanuts, 1,430 million pounds; flaxseed, 31.8 million bushels. The new estimate for soybeans is slightly larger than that of a month earlier, while the estimates for peanuts and flaxseed are slightly smaller.

Cotton Linters, Correction

The statement in the September issue of The Fats and Oils Situation indicating that an agreement was in effect whereby cottonseed oil millers had undertaken to make 80 percent of the new supply of cotton linters available for chemical purposes at an average price of 3.35 cents per pound, f.o.b. mills, was partly in error. No agreement is in effect. The production of linters is at present governed by General Preference Order No. M-12, issued by the Priorities Division of the Office of Production Management. This order prohibits the sale of second-cut linters, or more than 20 percent of mill-run linters, for any purpose other than ultimate use in the chemical industry. It further requires all cottonseed oil crushing mills using two cuts in the production of cotton linters to regulate their processes so that first-cut cotton linters will not be more than 20 percent of the total cut. The order does not apply to the sales or deliveries to agencies of the Federal Government, or to the Government of any country whose defense the President deems vital to the defense of the United States. The Office of Price Administration has issued a request that oil mills ask not more than 3.35 cents per pound for linters offered to the chemical trade.

OUTLOOK FOR 1942

Increased Production Needed to Meet Requirements for Fats

Domestic disappearance or consumption of fats and oils has increased at an average rate of slightly over 150 million pounds annually since 1912, when approximately 5.1 billion pounds of fats were consumed. In the year beginning July 1940, disappearance of primary fats and oils in the United States totaled about 10.5 billion pounds, an increase of 800 million pounds over the previous year. The major part of this gain occurred in the period January-June 1941, when disappearance was 19 percent greater than in the corresponding period a year earlier.

Part of the gain in disappearance in 1940-41 is believed to have been the result of the accumulation of inventories of finished goods by large distributors and consumers. In other periods of rapidly rising demand, large inventories generally have been built up and maintained, and a marked increase in disappearance in one year has been followed by successive increases, though not on so pronounced a scale, in following years. Thus disappearance of primary fats and oils increased 13 percent in 1922 over 1921, reaching a record high level for that period. A further increase of 7 percent occurred in 1923, and additional increases of 2 to 5 percent occurred in each of the following 6 years. 1/

Disappearance of primary fats in the United States from July 1940 through June 1941 was 8 percent greater than a year earlier. On the basis of previous experience in a period of rising demand, a further marked gain in disappearance would be expected to take place in 1941-42, even after allowing for the effect of fairly widespread stock-building in the previous year. Hence, domestic requirements for primary fats in 1941-42 may be expected, at a conservative estimate, to be at least as large as in 1940-41. In addition, possibly 700 million pounds of fats and oils, mostly lard, will be exported, so that total requirements in the current season probably will not be less than 11.2 billion pounds.

Production of fats and oils from domestic materials in the year beginning July 1940 amounted to about 9.1 billion pounds. Production in 1941-42 may be about 9.4 billion pounds, with increased output of soybean oil, lard, tallow, greases, linseed oil, fish oils, and corn oil more than offsetting decreased output of cottonseed oil and peanut oil.

Imports of at least 1.8 billion pounds of vegetable oils and oilseeds (in terms of oil) will be needed in 1941-42 if the total of production and imports is to equal requirements for domestic consumption and exports. Substantial gains in new ship construction during the next 18 months are indicated, but with continued sinkings, possible new demands on shipping, and the near loss of some foreign sources of supply, it is doubtful that imports will be greater in 1941-42 than a year earlier, when they amounted to 1.6 billion pounds. Thus, domestic production plus imports of fats in 1941-42 may be 200 million pounds or more short of requirements. The deficit probably will be taken from stocks, which fortunately are large. Stocks of primary fats and oils on July 1, 1941 totaled about 2.2 billion pounds; additional stocks of about 400 million pounds of oil were available in the form of oilseeds on that date.

1/ For basic data see table 2 of the February 1941 issue of The Fats and Oils Situation.

If the war in Europe continues into the 1942-43 marketing year, domestic requirements for fats in that year are likely to be even greater than in the present year. Increased livestock slaughter is in prospect, however, which should add about 300 million pounds to the domestic output of fats. Moreover, if the recently announced acreage goals for oil crops in 1942 are attained and normal crop yields are realized, production of peanut oil and soybean oil in 1942-43 will be about 500 million pounds greater than in 1941-42. These increases should bring supplies about in line with probable requirements, assuming that imports will continue to come in at a fairly substantial level.

Peanut and Soybean Acreage to be Expanded

To obtain an increase of approximately 500 million pounds in the domestic output of vegetable oils in 1942-43, the Secretary of Agriculture recently announced 1942 acreage goals for peanuts and soybeans 1.6 and 1.1 million acres larger respectively than the indicated acreages for harvest in 1941. These increases, with average crop yields, would provide about 1,200 million pounds more farmers' stock peanuts and approximately 15 million bushels more soybeans for crushing in 1942-43 than in 1941-42. On the basis of normal oil yields, these additional crushings would provide nearly 350 million pounds more peanut oil and about 140 million pounds more soybean oil next season than this.

Production both of peanuts and of soybeans has increased sharply during the past 8 years. The output of peanuts picked and threshed increased from 820 million pounds in 1933 to 1,734 million pounds in 1940, but is expected to total only about 1,480 million pounds in 1941. It is hoped that peanut production will total about 2,700 million pounds in 1942. The output of soybeans increased from 13 million bushels in 1933 to an indicated 112 million bushels in 1941. It is hoped that soybean production will be increased to at least 126 million bushels in 1942.

The acreage goals for oilseeds in 1942, with comparisons for recent years, are as follows:

Item	Average 1936-40	Indicated 1941	Goal 1942
	1,000 acres	1,000 acres	1,000 acres
Cotton (cottonseed) planted	27,858	23,519	(22,000 to (24,000 1/
Peanuts, picked and threshed	1,730	1,908	3,500 2/
Soybeans harvested for beans	3,435	5,918	7,000
Flaxseed planted	2,159	3,392	3,392

1/ Minimum allotment under the Agricultural Conservation Act of 1938 is about 27.5 million acres which, with average underplanting, would give about 24 million acres planted. 2/ Acreage allotment for "marketing quota" peanuts, to be used primarily by the edible trade but part of which may be diverted to oil mills: 1,600,000 acres; peanuts for oil: 1,900,000 acres.

Actual acreages in 1942 probably will not correspond exactly with the announced acreage goals. But with the relaxation of acreage restrictions by the AAA on certain crops, and with the prospect of continued high prices for peanuts and soybeans for oil, it seems likely that the general aim will be achieved. Although the goal for flaxseed calls for the same planted acreage in 1942 as in 1941, it is possible that flax plantings may be increased next year, partly because of the comparatively high prices and high yields obtained in most areas for flaxseed in the 1941 season, and partly because wheat acreage will be further restricted in 1942. The Agricultural Conservation Program for 1942 requires in a large part of the country that at least 20 percent of the total crop land of participating farmers be devoted to designated soil-conserving uses, but otherwise provides no acreage limitation for soil-depleting crops, except for crops such as corn, wheat, and cotton for which special acreage allotments are in effect.

Demand for Fats Strongest in More Than 20 Years

Domestic demand for fats and oils is now the strongest in more than 20 years. With rising national income, further improvement in demand in 1942 is expected. This improvement, however, may not extend to all classes of fats. Because of shortages of certain materials and possible difficulties in obtaining skilled workers, residential building activity and the demand for paint and varnish oils, now at a high level, may be reduced in 1942-43.

In addition to growing strength in domestic demand for food and soap fats, substantial purchases of lard for shipment to the United Kingdom under the lend-lease program are in prospect.

A rough indication of changes in the domestic demand for fats is given by the index of income of industrial workers. This index, which reflects variations in factory, railroad, and mining payrolls, stood at 138 percent of the 1924-29 average in July and August 1941, the highest level in 23 years of record. Striking gains in income have occurred during the past year, with increases of 20 points in the index from July 1940 to April 1941 and 25 points from April to July. Industrial activity and income may not change much in the next few months. But increasing employment in industrial plants will bring about further gains in income during 1942.

The effect of higher taxes in 1942 on consumer demand for fats and oils is likely to be more than offset by the reduction in supplies of certain durable goods. Storage demand for fats and manufactured articles containing fats probably will continue strong.

Prices Expected to be Much Higher than in Recent Years

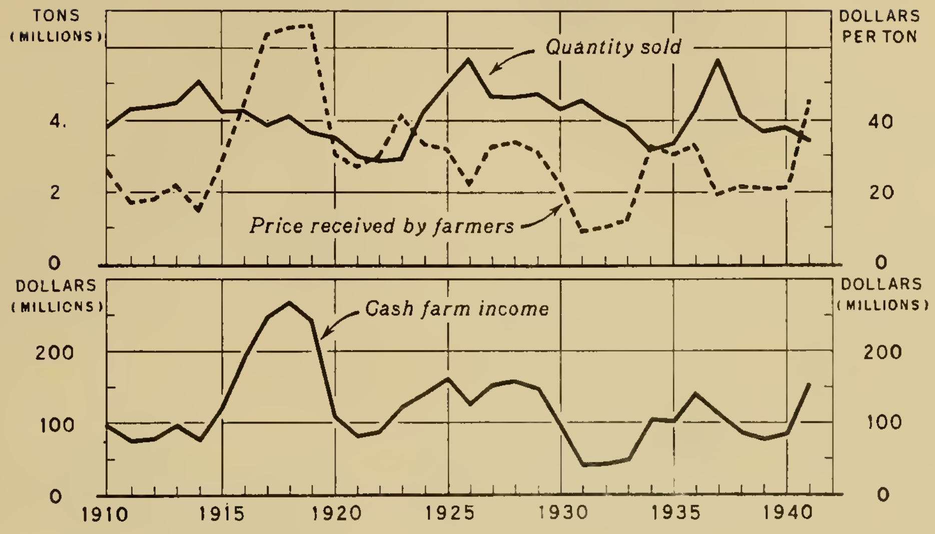
With further improvement in domestic demand and with comparatively large purchases of lard for export, prices for fats and oils, particularly for the food and soap fats, are likely to average higher in 1942 than in 1941. Government action may be taken, however, which would tend to hold advances from present levels within narrow limits.

Demand for high-protein feeds also may rise in 1942 as a result of increased livestock feeding and improvement in demand and prices for livestock products. Recent gains in prices for both oil and meal are being reflected in relatively high prices for domestic oilseeds this season, particularly for cottonseed, soybeans, and peanuts. According to present indications, prices for these oilseeds probably will average at least as high in the 1942-43 season as in the current season, even though the output of soybeans and peanuts may be substantially increased next year.

The average price received by farmers for cottonseed in mid-September, at $49.83 per ton, was more than double that of a year earlier and was the highest monthly average since July 1920. The price of soybeans in mid-September, at $1.61 per bushel, also was more than double that of a year earlier. And the average price received by farmers for peanuts in mid-September, at 4.49 cents per pound, was nearly one-third higher than the average price in mid-September last year. Prices for all peanuts last season were supported by the diversion program. This season the diversion program is being applied only to "quota" peanuts, which, however, account for about four-fifths of the crop.

With the current strong demand for flaxseed, the average price received by farmers for that commodity in mid-September, at $1.85 per bushel, was about 40 percent higher than a year earlier. The large surplus of flaxseed available in Argentina has had a restraining influence on prices of flaxseed and linseed oil this season, and probably will continue to have such an influence so long as important European markets remain closed to world trade and ships are available for carrying flaxseed in needed quantities from South America to this country.

COTTONSEED: SALES, PRICE, AND CASH INCOME, UNITED STATES, 1910-41

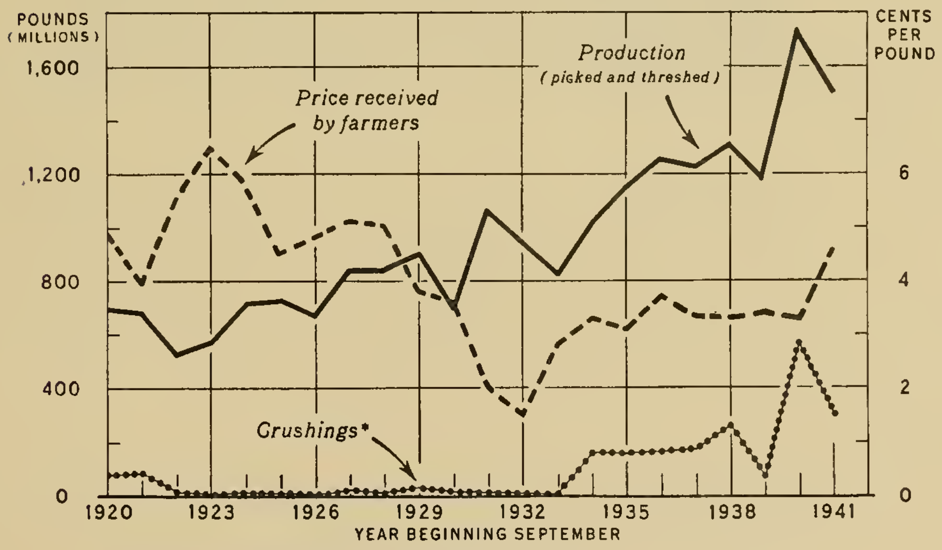


CALENDAR YEAR BASIS DATA FOR 1941 ARE TENTATIVE ESTIMATES

U. S. DEPARTMENT OF AGRICULTURE NEG. 38634 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 1.- WITH A STRONG DEMAND FOR COTTONSEED PRODUCTS, THE AVERAGE PRICE OF COTTONSEED IN 1941 MAY BE THE HIGHEST IN 22 YEARS. SALES WILL BE COMPARATIVELY SMALL, AND CASH INCOME MAY BE ABOUT THE SAME AS IN 1925-29. PRESENT INDICATIONS POINT TO CONTINUED SMALL SALES AND HIGH PRICES FOR COTTONSEED IN 1942. (FOR DATA SEE TABLE 3.)

PEANUTS, FARMERS' STOCK: PRODUCTION, PRICE, AND CRUSHINGS, UNITED STATES, 1920-41

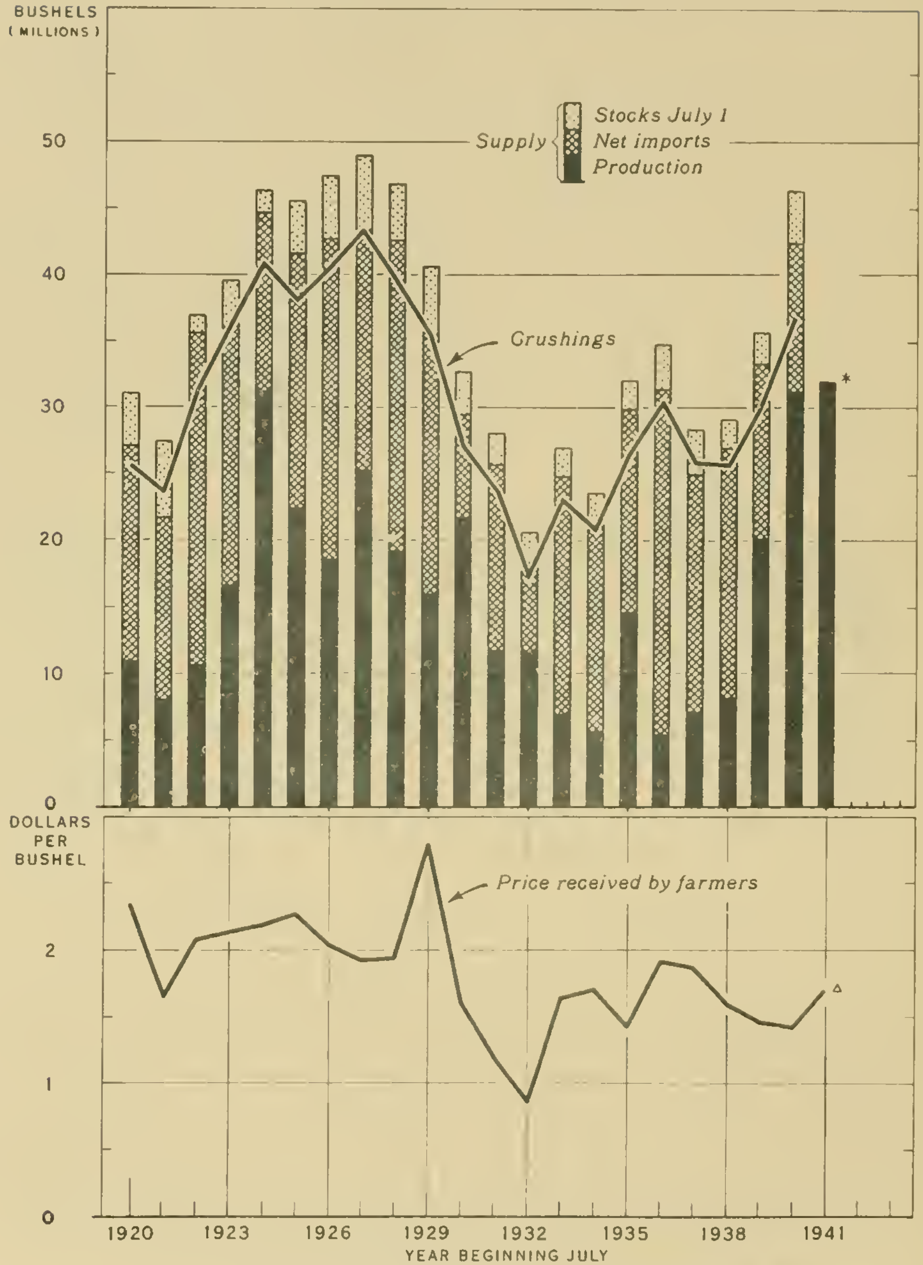


* PEANUTS IN THE HULL, YEAR BEGINNING OCTOBER, 1920-33
DATA FOR 1940 ARE PRELIMINARY; 1941, SEPTEMBER INDICATIONS. PRICE FOR SEPTEMBER 15

U. S. DEPARTMENT OF AGRICULTURE NEG. 38633 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 2.- PRODUCTION GOALS FOR 1942 CALL FOR AN 83-PERCENT INCREASE IN THE ACREAGE OF PEANUTS PICKED AND THRESHED. WITH NORMAL CROP YIELDS, ABOUT 1.5 BILLION POUNDS OF FARMERS' STOCK PEANUTS WOULD BE AVAILABLE FOR CRUSHING IN 1942-43 COMPARED WITH ABOUT 0.3 BILLION POUNDS IN 1941-42 AND NEARLY 0.6 BILLION POUNDS IN 1940-41. A TWO-PRICE SYSTEM HAS BEEN INTRODUCED THIS SEASON, WITH PRICES FOR "ACREAGE ALLOTMENT" PEANUTS SUPPORTED BY A DIVERSION PROGRAM, AND WITH PRICES FOR PEANUTS PRODUCED OUTSIDE THE ALLOTMENTS DETERMINED BY THE VALUE OF PEANUTS FOR OIL AND MEAL. DEMAND AND PRICES FOR PEANUT OIL AND MEAL ARE NOW RELATIVELY HIGH AND PROBABLY WILL CONTINUE HIGH NEXT SEASON. (FOR DATA SEE TABLE 4.)

FLAXSEED: SUPPLY, CRUSHINGS, AND PRICE, UNITED STATES, 1920-41



* PRODUCTION INDICATED SEPTEMBER 1 Δ AVERAGE JULY-AUGUST
DATA FROM A. M. S. AND BUREAU OF THE CENSUS

U. S. DEPARTMENT OF AGRICULTURE NEG. 38617 BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 3.- FLAXSEED CRUSHINGS ARE EXPECTED TO REACH A PEAK IN 1941-42 AND TO DECLINE IN 1942-43. BECAUSE OF SHORTAGES OF CERTAIN MATERIALS AND DIFFICULTIES IN OBTAINING SKILLED WORKERS, BUILDING ACTIVITY AND THE DEMAND FOR PAINT AND VARNISH OILS, NOW AT HIGH LEVELS, PROBABLY WILL BE REDUCED IN THE NEXT MARKETING YEAR. PRODUCTION GOALS CALL FOR THE SAME FLAXSEED ACREAGE IN 1942 AS IN 1941, WHEN A NEAR-RECORD CROP WAS PRODUCED. (FOR DATA SEE TABLE 5.)

INDEX OF OUTLOOK CHARTS ON COVER PAGE OF RECENT ISSUES OF THE FATS AND OILS SITUATION

	Date of Issue
Production and Trade-	
Production of and net trade in animal fats and vegetable oils, United States, 1912-40	Feb. 1941
Utilization-	
Fats and oils used in oleomargarine, United States, 1922-40	Mar. 1941
Factory consumption of soybean oil, by classes of products, United States, 1935-40	Apr. 1941
Proportions of principal oils in total volume of fats and oils used in drying industries, United States, 1935 and 1940	May 1941
Domestic and imported fats and oils, and rosin, used in soap, United States, 1922-40	June 1941
Prices-	
Prices of lard at Chicago and cottonseed oil at New York, and spread between these prices, 1929-41	July 1941
Wholesale prices of fats and oils, by specified groups, leading markets, 1937-41: Index numbers (1924-29 = 100) .	Aug. 1941
Cottonseed: Value of products, price received by farmers, and spread between value and price, United States, 1909-41	Sept. 1941

Table 2.- Soybeans: Production, stocks, net trade, domestic utilization, and price, United States, 1924-41

Year beginning October	Production	Mill stocks October 1	Net imports or net exports(-)	Domestic disappearance: Total	Domestic disappearance: Crushings	Domestic disappearance: Other	Average price per bushel received by farmers
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Dollars
1924	4,947	5	1/ 65	5,015	307	4,708	2.47
1925	4,875	2	1/ 62	4,939	351	4,588	2.34
1926	5,239	2/	1/ 68	5,305	335	4,970	2.00
1927	6,938	2	1/ 71	7,011	559	6,452	1.83
1928	7,880	2/	77	7,887	883	7,004	1.90
1929	9,398	70	64	9,416	1,666	7,750	1.87
1930	13,471	116	54	13,147	4,069	9,078	1.32
1931	16,733	494	-2,112	14,993	4,725	10,268	.48
1932	14,975	122	-2,437	12,602	3,470	9,132	.56
1933	13,147	58	6	13,185	3,054	10,131	.99
1934	23,095	26	-14	22,788	9,105	13,683	1.01
1935	44,378	319	-3,486	40,850	25,181	15,669	.79
1936	29,983	361	-2	30,049	20,618	9,431	1.28
1937	45,272	293	-1,365	43,860	30,310	13,550	.84
1938	62,729	340	-4,398	57,706	44,648	13,058	.68
1939	91,272	965	-10,947	80,897	56,684	24,213	.81
1940	79,837	393	1/ -100	1/79,750	1/62,000	1/17,750	3/ .79
1941	4/111,618						

Compiled as follows:

Production and price, Agricultural Marketing Service.

Stocks and crushings, Bureau of the Census.

Imports, October 1928 - December 1934, official records of the United States Tariff Commission; beginning January 1935, official records of the Bureau of Foreign and Domestic Commerce (Bureau of the Census since May 1941).

Exports, October 1931 - December 1936, from records of the Bureau of Agricultural Economics Inspection Service; beginning January 1937, Monthly Summary of Foreign Commerce of the United States.

Total domestic disappearance computed from data on production, stocks and foreign trade.

1/ Partly estimated.
2/ Less than 500 bushels.
3/ Preliminary.
4/ Indicated October 1.

Table 3.- Cottonseed: Sales, price, and cash income, United States, 1910-41

Calendar year	Quantity sold	Price per ton received by farmers	Cash farm income
	1,000 tons	Dollars	1,000 dollars
1910	3,805	26.06	99,169
1911	4,302	17.50	75,300
1912	4,376	18.10	79,229
1913	4,480	21.85	97,902
1914	5,052	15.27	77,174
1915	4,259	28.87	122,948
1916	4,286	44.99	192,834
1917	3,914	63.65	249,118
1918	4,112	65.38	268,874
1919	3,692	66.02	243,727
1920	3,540	30.82	109,106
1921	3,009	27.40	82,442
1922	2,898	30.13	87,330
1923	2,948	41.09	121.133
1924	4,218	33.29	140,429
1925	5,026	32.07	161,192
1926	5,709	22.39	127,834
1927	4,662	32.89	153,341
1928	4,660	33.99	158,420
1929	4,731	31.48	148,943
1930	4,337	22.42	97,234
1931	4,556	9.13	41,614
1932	4,110	10.26	42,180
1933	3,854	12.64	48,713
1934	3,210	32.51	104,331
1935	3,361	30.78	103,458
1936	4,259	33.23	141,519
1937	5,711	19.86	113,399
1938	4,122	21.51	88,670
1939	3,711	21.16	78,529
1940	3,800	21.68	82,398
1941 1/	3,400		

1/ Tentative estimate.

Table 4.- Peanuts, farmers' stock; Production, price, and crushings, United States, 1920-41

Year beginning Sept. 1/	Production (picked and threshed)				Average price per pound received by farmers	Crushings	Crushings as percentage of production
	Total 2/	Va., N.C., Tenn.	S.C., Ga., Ala., Fla., Miss.	Ark., La., Okla., Tex.			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Cents	Mil. lb.	Percent
1920	696	243	388	65	4.8	75	11
1921	678	273	338	68	3.9	84	12
1922	523	227	243	54	5.4	13	2
1923	568	310	212	46	6.5	2	3/
1924	713	284	394	35	5.8	10	1
1925	722	381	303	37	4.5	8	1
1926	662	371	241	51	4.8	1	3/
1927	844	382	375	87	5.1	20	2
1928	844	388	342	114	5.0	7	1
1929	898	395	408	96	3.8	29	3
1930	697	285	344	68	3.6	12	2
1931	1,056	455	506	94	2.0	9	1
1932	941	388	443	110	1.5	8	1
1933	820	301	397	121	2.8	3	3/
1934	1,010	416	506	88	3.3	159	16
1935	1,147	418	592	137	3.1	156	14
1936	1,253	418	724	110	3.7	165	13
1937	1,224	500	610	114	3.3	171	14
1938	1,306	401	753	151	3.3	260	20
1939	1,180	486	532	161	3.4	73	6
1940	1,734	593	893	248	3.3	4/ 560	32
1941	5/ 1,480	5/ 429	5/ 826	5/ 224	6/ 4.5		

Compiled as follows:

Production and price, Agricultural Marketing Service.

Crushings, 1920-33, peanuts in the hull, Bureau of the Census; beginning 1934, farmers' stock peanuts, Agricultural Marketing Service.

1/ The marketing year usually begins in August in the southwestern peanut area, in September in the southeastern area, and in November in the Virginia-Carolina area.

2/ Total of unrounded numbers.

3/ Less than 0.5 percent.

4/ Partly estimated.

5/ Indicated October 1.

6/ Average for September 15.

Table 5.- Flaxseed: Supply, crushings, and price, United States, 1920-41

Year beginning July	Supply				Crushings	Average price per bushel received by farmers
	Production	Stocks July 1 1/	Net imports	Total supply		
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	Dol.
1920	10,900	2/	16,169	2/	25,558	2.33
1921	8,107	5,680	13,630	27,417	23,505	1.65
1922	10,520	1,387	25,006	36,913	31,062	2.08
1923	16,563	3,498	19,577	39,638	36,201	2.12
1924	31,220	1,856	13,419	46,495	40,724	2.18
1925	22,334	3,973	19,354	45,661	38,037	2.26
1926	18,531	4,713	24,224	47,468	40,582	2.03
1927	25,174	5,650	18,112	48,936	43,243	1.92
1928	19,118	4,170	23,494	46,782	39,595	1.94
1929	15,924	5,019	19,652	40,595	35,504	2.81
1930	21,673	3,222	7,813	32,708	27,054	1.61
1931	11,755	2,483	13,849	28,087	23,700	1.17
1932	11,511	2,900	6,213	20,624	17,370	.88
1933	6,904	2,100	17,901	26,905	23,006	1.63
1934	5,661	2,513	15,332	23,506	20,720	1.70
1935	14,520	2,181	15,388	32,089	26,544	1.42
1936	5,273	3,331	26,096	34,700	30,340	1.90
1937	7,089	3,339	17,861	28,289	25,870	1.87
1938	8,152	2,199	18,744	29,095	25,569	1.59
1939	20,152	2,296	13,212	35,660	30,078	1.46
1940	31,217	3,911	11,198	46,326	36,645	1.41
1941	3/ 31,825	7,372				4/1.75

Compiled as follows:

Production, market and farm stocks, and price, Agricultural Marketing Service.

Factory stocks and crushings, Bureau of the Census.

1/ Factory, market, and farm stocks.
2/ Not available.
3/ Indicated Oct. 1.
4/ Average July-Sept.

Table 6.- Wholesale prices of fats and oils: Index numbers September 1939 and 1940, July-September 1941

(1924-29 = 100)

Group	Sept.		1941		
	1939	1940	July	Aug.	Sept.
Eight domestic fats and oils 1/	89	79	116	117	124
Eight domestic fats and oils	63	56	82	83	88
All fats and oils (27 items)	67	61	90	91	96
Grouped by origin:					
Animal fats	63	57	79	80	84
Marine animal oils	73	86	115	114	117
Vegetable oils, domestic	71	58	109	110	122
Vegetable oils, foreign	88	86	139	141	142
Grouped by use					
Butter	63	63	78	80	83
Butter, adjusted 2/	61	62	84	82	82
Lard	59	37	78	77	82
Food fats, other	72	62	124	125	135
Soap fats	73	56	108	108	116
Drying oils	97	86	112	113	116
Miscellaneous oils	67	91	102	102	103

1/ 1910-14 = 100.

2/ Adjusted for typical seasonal variation.

Table 7.- Prices of specified oil-bearing materials, September 1939 and 1940, July-September 1941

Item	Unit	Sept.		1941		
		1939	1940	July	Aug.	Sept.
		Dollars	Dollars	Dollars	Dollars	Dollars
Castor beans, Brazilian, ship't., c. & f., New York	Long ton	---	49.50	70.38	68.40	68.00
Copra, bags, f.o.b. Pacific Coast	100 lb.	2.14	1.42	3.72	3.98	4.06
Cottonseed, U.S. farm price	Short ton	20.56	20.32	35.90	36.94	49.83
Flaxseed, No. 1, Minneapolis	Bu.	1.75	1.48	1.92	1.89	1.99
Flaxseed, U.S. farm price	"	1.53	1.31	1.71	1.68	1.85
Peanuts, shelled, Runners No. 1, S.E. mills	100 lb.	5.25	4.90	1/6.65	6.95	7.00
Peanuts, U.S. farm price	" "	3.44	3.38	4.16	4.29	4.49
Soybeans, No. 2 Yellow, Chicago	Bu.	.87	.81	1.50	1.57	1.83
Soybeans, U.S. farm price	"	.73	.69	1.30	1.29	1.61

Compiled from Oil, Paint and Drug Reporter, Daily Trade Bulletin (Chicago), Daily Market Record (Minneapolis), and reports of the Agricultural Marketing Service.

1/ Revised.

Table 8.- Price per ton of specified oilseed meals, September 1939 and 1940, July-September 1941

Item 1/	September		1941		
	1939	1940	July	Aug.	Sept.
	Dollars	Dollars	Dollars	Dollars	Dollars
Copra meal, Los Angeles	29.55	19.25	36.20	37.50	39.60
Cottonseed meal, 41 percent protein, Memphis	26.05	24.95	31.00	34.45	39.75
Cottonseed meal, 41 percent protein, Chicago	32.85	31.55	36.60	40.25	45.65
Linseed meal, 37 percent protein, Minneapolis	34.50	24.45	32.00	33.50	39.00
Linseed meal, 34 percent protein, New York	---	25.50	28.30	28.10	33.20
Peanut meal, 45 percent protein, f.o.b. southeastern mills	29.06	20.62	30.60	32.94	38.55
Soybean meal, 41 percent protein, Chicago	33.70	27.00	33.80	36.20	41.40

Compiled from records of the Agricultural Marketing Service.

1/ Bagged, carlots, except peanut meal.

Table 9.- Production and stocks of butter, lard, rendered pork fat, cottonseed oil, and peanut oil, August 1939 and 1940, June-August 1941

Item	August		1941		
	1939	1940	June	July	Aug. 1/
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Production					
Creamery butter	167.0	165.4	214.3	196.7	171.3
Lard, under Federal inspection	90.7	90.5	102.7	95.8	87.0
Rendered pork fat 2/	---	---	13.0	12.6	11.0
Cottonseed oil, crude	46.5	24.1	42.5	26.2	33.8
Peanut oil, crude	2.0	2.0	7.1	4.3	1.9
Stocks, end of month					
Butter	172.8	134.3	120.2	178.5	200.2
Lard	110.4	272.3	374.7	332.9	282.7
Rendered pork fat 2/	---	---	7.8	7.4	5.4
Cottonseed oil, crude basis 3/	602.1	466.5	449.9	343.4	284.0
Peanut oil, crude basis 3/	---	---	57.2	---	---

Compiled as follows:

Production of creamery butter and peanut oil, and cold-storage holdings of butter, lard and rendered pork fat, Agricultural Marketing Service.

Production under Federal inspection of lard and rendered pork fat, Bureau of Animal Industry.

Factory production and stocks of cottonseed oil, and stocks of peanut oil, Bureau of the Census.

1/ Preliminary.

2/ Included with lard prior to November 1940.

3/ Crude plus refined converted to crude basis by dividing by the following factors: Cottonseed oil, 0.93; peanut oil, 0.94.

UNIVERSITY OF FLORIDA
3 1262 08905 1568

Table 10.- Oleomargarine: Production and materials used in manufacture, United States, August 1939 and 1940, June-August 1941

Item	August		1941 1/		
	1939	1940	June	July	August
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Production:					
Colored	110	183	300	280	252
Uncolored	21,481	21,481	24,783	27,085	24,551
Total 2/	21,591	21,664	25,083	27,365	24,803
Materials used:					
Oleo oil	1,060	1,122	1,146	1,305	1,241
Oleostearine	274	283	231	237	162
Lard neutral	125	313	498	651	538
Oleo stock	59	98	105	140	132
Beef fat	20	---	---	----	---
Monostearine	---	---	9	12	10
Total animal	1,538	1,816	1,989	2,345	2,083
Cottonseed oil	6,986	8,275	10,816	11,413	10,131
Soybean oil	5,574	5,497	5,546	4,912	4,002
Peanut oil	254	140	159	221	183
Corn oil	22	---	36	55	43
Cottonseed stearine	---	1	---	---	---
Soybean stearine	---	---	---	1	---
Total domestic, vegetable	12,836	13,913	16,557	16,602	14,359
Coconut oil	1,763	1,180	1,435	2,474	2,421
Babassu oil	1,345	446	---	---	---
Palm oil	---	---	247	667	847
Palm-kernel oil	---	---	---	---	285
Palm stearine	---	---	---	28	---
Total foreign, vegetable	3,108	1,626	1,682	3,169	3,553
Total fats and oils	17,482	17,355	20,228	22,116	19,995
Milk	4,315	4,179	4,627	4,919	4,582
Salt and other miscellaneous	1,028	938	937	1,026	932

Compiled from Internal Revenue records and Internal Revenue Bulletin.

1/ Preliminary.
2/ Total of unrounded numbers.